

Cummings and Associates

12 October 2007

Revised 4 January 2008

Final Revision 25 March 2008

Wayne and Carol Elder
40401-A De Luz Road
Fallbrook, CA 92028-5883

Reference: Elder Agricultural Grading Permit L-15206 — APN 101-562-07-00 — County of San Diego Log No. 07-01-004 (Cummings and Associates Job #1534.51A)

Dear Mr. and Mrs. Elder,

This letter will serve as the supporting documentation to the Biological Resources Map requested by the County of San Diego in their letter to you dated August 9, 2007 (the Biological Resources Map is attached as Figure 5). The information contained herein should provide the County of San Diego staff with enough information to resolve the grading violation on Assessor's Parcel Number 101-562-07-00 and to proceed with issuance of the agricultural grading permit L-15206.

Background. Assessor's Parcel Number 101-562-07-00 is located at 39693 Calle De Luz Road in the De Luz community within an unincorporated area of the County of San Diego (see Figures 1, 2 and 3). Portions of the property were graded and planted with Avocados without obtaining a Grading Permit. Subsequently, the County of San Diego issued a grading violation after being notified of the unauthorized grading. In an effort to remedy the violation, an application for an Agricultural Grading Permit has been submitted to the County. In order for County staff to assess the impacts to native habitats, a request for a Biological Resources Map was made. A site visit was made by the undersigned on 25 September 2007 to assess the historic and current extent of native habitats. This letter and its attachments summarize the results of the field survey and analysis.

Vegetation Types. Prior to the unauthorized clearing, the 10.5-acre property contained orchards (going back to at least the early 70's), Chaparral, and developed lands. These three habitat categories are described below.

Orchards and Vineyards — Approximately 2.4-acres of the subject property has been utilized for agriculture since the early 70's (see Figure 6, the aerial photos in Appendix A, and your attached letter to Jarrett Ramaiya dated December 12, 2007 in Appendix B). This vegetation category is best described as Orchards and Vineyards (Holland, 1986 as modified by Oberbauer, 1996; Element Code 18100). Although a portion of this area (specifically along the southern property boundary) appears to have been Chaparral in some of the aerial photos, upon closer inspection of the photos (agricultural rows are visible in the County of San Diego's 2000 and 2004 aerials shown in Figure 7), and as per the information provided in your letter to Jarrett Ramaiya, this area along the southern parcel boundary was actually occupied by "shrubby" flower fields as late as 2005.

According to the draft first revision of the County of San Diego Report Format and Content Requirements for Biological Resources document, "Agricultural land left fallow may revert to non-native grassland habitat or other native/naturalized habitat. An assessment shall be made as to whether the land now supports native or naturalized habitat after an absence of active agricultural activity, such as seeding or harvesting for four or more years." Since this area along the southern property boundary was in use as a flower field as late as 2005, this area is still considered an "active agricultural activity" as it was in use as a flower field within the last four years.

Granitic Southern Mixed Chaparral/Recovering Granitic Southern Mixed Chaparral — The majority of the property contains undisturbed (6.2-acres) and recovering (0.6-acres) Granitic Southern Mixed Chaparral (Holland, 1986 as modified by Oberbauer, 1996; Element Code 37121). Although there are certain Sage Scrub species present within the Chaparral, they do not comprise 50% of the habitat. According to the Additional Habitat Identification Information section of the Draft Report Format and Content Requirements for Biological Resources which states, "In cases where the two habitats area co-dominant and at least 50% of the habitat is indicative of coastal sage scrub, then the habitat shall be labeled as 'coastal sage-chaparral scrub'". Since the Sage Scrub elements were not 50%, the habitat was considered Southern Mixed Chaparral.

Portions of Chaparral in the northeast corner of the property were cleared, not graded, and are believed to be exempt from a Clearing Permit under Section 87.502© of the County's Grading, Clearing and Watercourses Ordinance. This exempts, "Clearing limited to the least amount necessary for the purpose of surveying, geotechnical exploration and access for percolation tests and wells." This cleared area (see Figure 5) is recovering already with sprouts of Chamise and Scrub Oak several inches tall.

Urban/Developed — Approximately 1.3-acres of the site consists of what is best described as Urban/Developed Lands (Holland, 1986 as modified by Oberbauer, 1996; Element Code 12000). This category contains a landscaped slope and bare dirt areas used for access and parking. The vegetation in this area consists of Red Apple (*Aptenia cordifolia*), Peruvian Pepper (*Schinus molle*), and Eucalyptus (*Eucalyptus* sp.).

Impacts and Analysis. Based on the site survey and upon an analysis of aerial photos of the property, it was determined that approximately 0.6-acres of Granitic Southern Mixed Chaparral was converted to Agriculture as a result of the unauthorized grading activity (see area of impact on Figure 5). In order to compensate for this impact to native habitat, 0.3-acres of Chaparral/Coastal Sage Scrub credits will be purchased from the Daley Ranch Conservation Bank (please refer to the attached letter from Environmental Land Solutions). Although the subject property falls within a Pre-Approved Mitigation Area under the draft North County

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Multiple Species Conservation Program, and therefore, would be eligible for mitigation through an on-site conservation easement, it is felt that preservation of 0.3-acres of Chaparral by itself would be biologically meaningless. For this reason, mitigation for impacts to the Chaparral is proposed to be fulfilled by contributing to the preservation of a 3,058-acre block of habitat at the Daley Ranch Conservation Bank.

The table on the following page summarizes the acres on-site pre-disturbance, the acreage impacted by the unauthorized grading, as well as, the recommended mitigation ratio for impacts to the native Chaparral habitat.

Vegetation Impact and Mitigation Summary Table

Habitat Type	Acres On-Site	Acres Impacted by Unauthorized Grading	Mitigation Ratio ¹	Off-Site Mitigation
Orchard and Vineyards (Element Code 18100)	2.4	N/A	N/A	N/A
Granitic Southern Mixed Chaparral (Element Code 37121)	6.2	0.6	0.5:1	0.3-acres
Recovering Granitic Southern Mixed Chaparral (Element Code 37121)	0.6	0.0	0.5:1	0.0-acres
Urban/Developed (Element Code 12000)	1.3	N/A	N/A	N/A
TOTALS:	10.5	0.6	0.5:1 for Granitic Southern Mixed Chaparral	0.3-acres of Chaparral/ Coastal Sage Scrub

¹ The mitigation ratio for impacts to Granitic Southern Mixed Chaparral was taken from the draft County of San Diego Guidelines for Determining Significance and Report Format and Content Requirements for Biological Resources which is up for approval before the Board of Supervisors on Wednesday, October 17, 2007.

If you have any questions, please do not hesitate to contact me at (760)440-0349.

Sincerely,

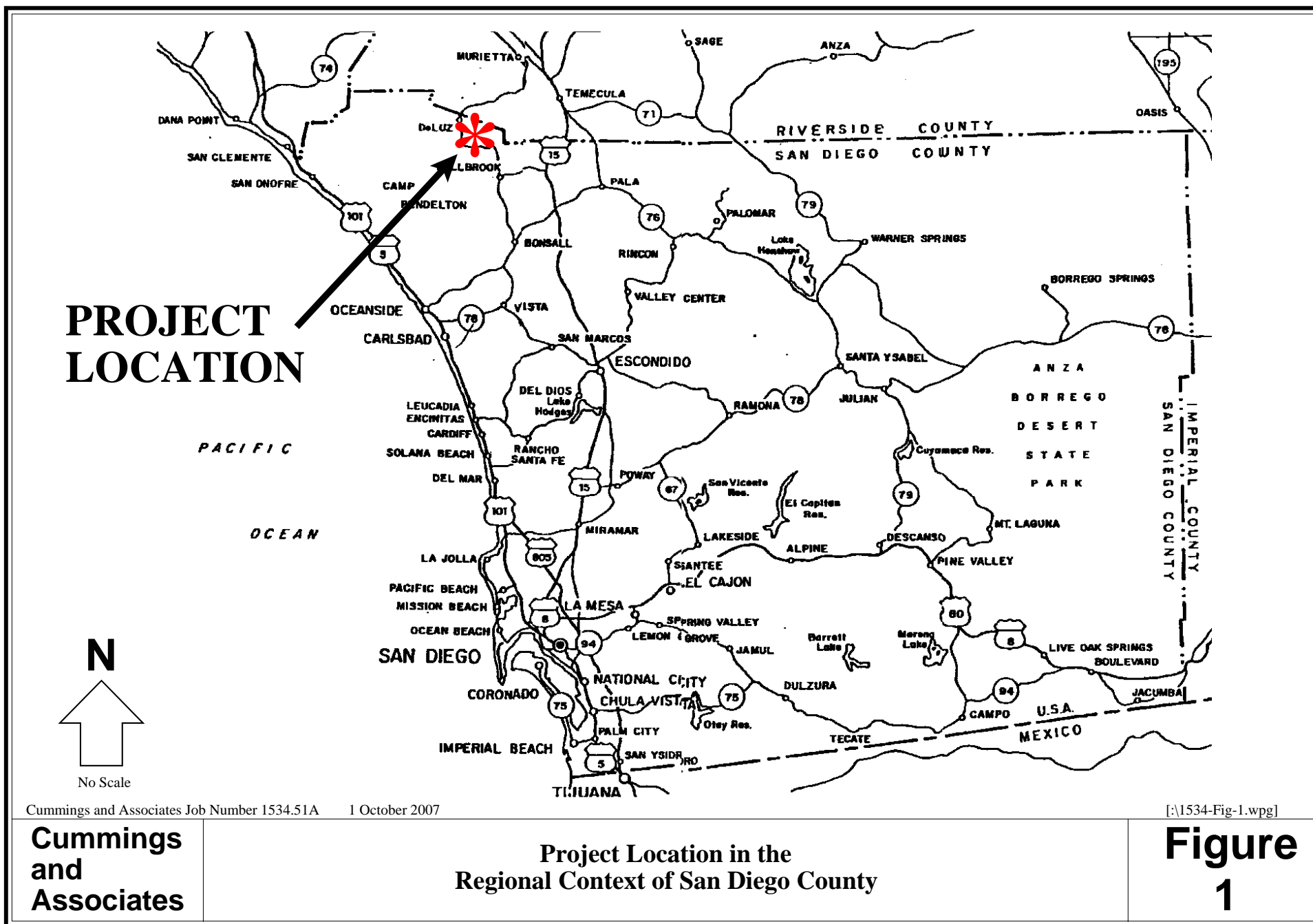


Gretchen Cummings
Principal/Consulting Biologist

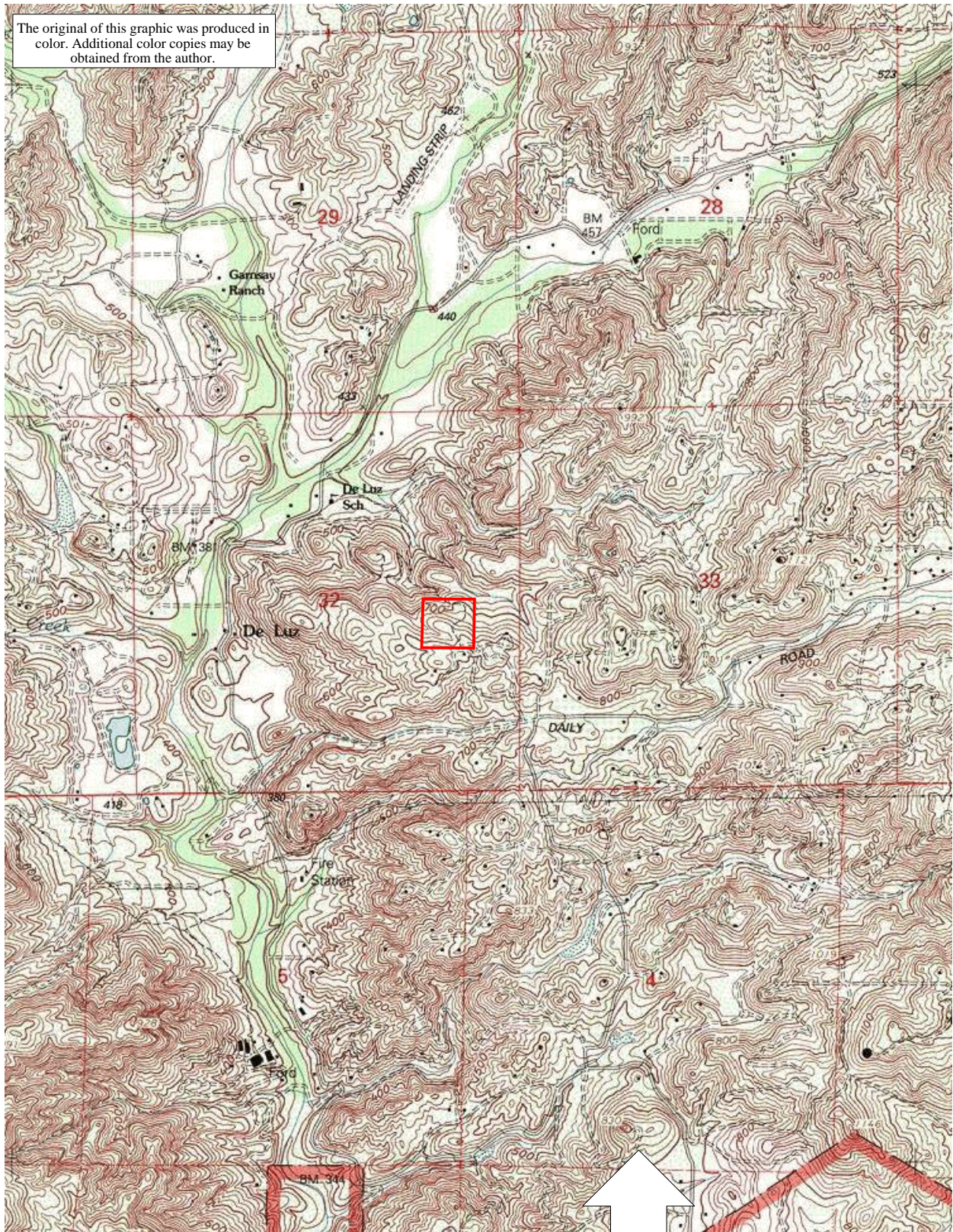
Mr. and Mrs. Elder
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Attachments:

1. Figure 1 — Project Location on a Regional Map
2. Figure 2 — Project Location on the 7½-minute U.S.G.S. Fallbrook Quadrangle Map
3. Figure 3 — Project Location on a Thomas Brothers Map Base
4. Figure 4 — Project Location on an Aerial Photo (Pre-Disturbance)
5. Figure 5 — Biological Resources Map (reduced to 11 x 17)
6. Figure 6 — Site Photos Along the Southern Property Boundary
7. Appendix A — Aerial Photos from 2000 and 2004 Showing Agricultural Rows Along the Southern Property Boundary
8. Appendix B — Letter to Jarrett Ramaiya from Wayne and Carol Elder Regarding the Usage History of the Property Dated December 12, 2007
9. Appendix C — Acknowledgment of Sale of Conservation Credits, Letter from Shea Homes dated April 1, 2008, and the Accounting of Environmental Credit Sales at the Daley Ranch Conservation Bank



The original of this graphic was produced in color. Additional color copies may be obtained from the author.



Cummings and Associates Job Number 1534.51A 25 March 2008

Scale: 1-inch = 2,000-feet

[:\1534-Fig-2.wpg]

**Cummings
and
Associates**

**L-15206/ER 07-01-004 Property Shown on
the U.S.G.S. 7½-minute Fallbrook Quad Map**
[Base Map Created With TOPO!® © 2006 National Geographic]

**Figure
2**

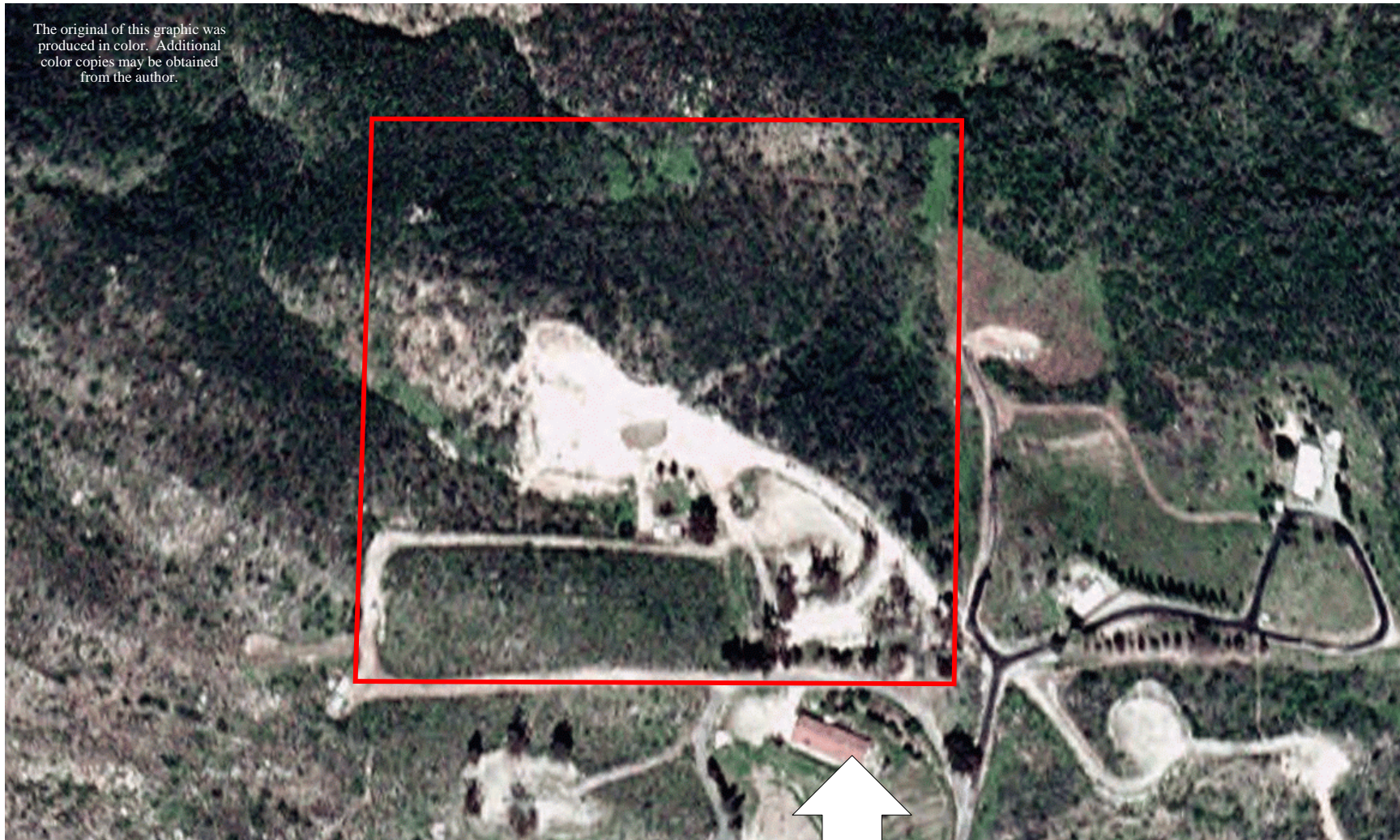
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1 October 2007

[:\1534-Fig-3.wpg]

Figure 3

The original of this graphic was produced in color. Additional color copies may be obtained from the author.



Cummings and Associates Job Number 1534.51A

24 September 2007

Scale: 1-inch = 180-feet

[:\1534-Fig-4.wpg]

**Cummings
and
Associates**

Aerial Photo of Elder Property Pre-Unauthorized Grading
[Aerial downloaded from Google Earth © 2007 Europa
Technologies; Image © 2007 DigitalGlobe]

**Figure
4**

The original of this graphic was produced in color. Additional color copies may be obtained from the author.



The top photo was taken in the 1970's and the bottom photo was taken recently in 2007.



Cummings and Associates Job Number 1534.51A 12 October 2007

[:\1534-Fig-6.wpg]

**Cummings
and
Associates**

**Views Along Southern Part of Property
From Approximately the Eastern Property
Boundary Facing Roughly West**

**Figure
6**

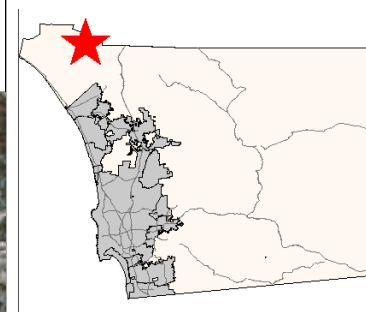
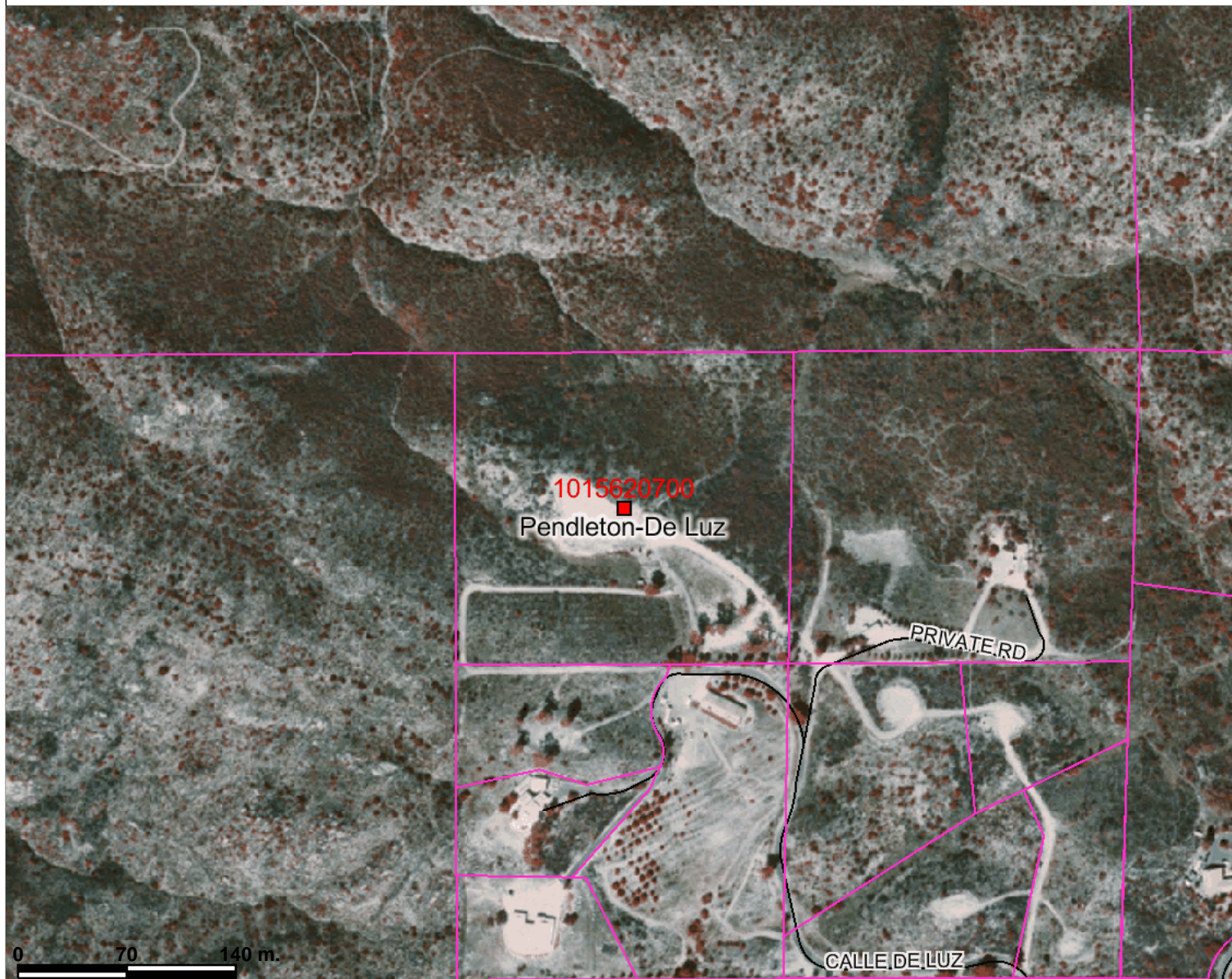
Appendix A

Aerial Photographs from 2000 and 2004

Prepared by

County of San Diego DPLU GIS

2000 GIS photo



Legend

- Parcels w/out labels
- ~ Highways
- ~ Freeways
- ~ Streets
- Water Bodies
- Water Bodies
- Sponsor Groups
- Sponsor Groups
- Other
- Other
- Community Planning Area
- Community Planning Areas
- 2000 Aerial Photo - East
- 2000 Aerial Photo - West

0 70 140 m.

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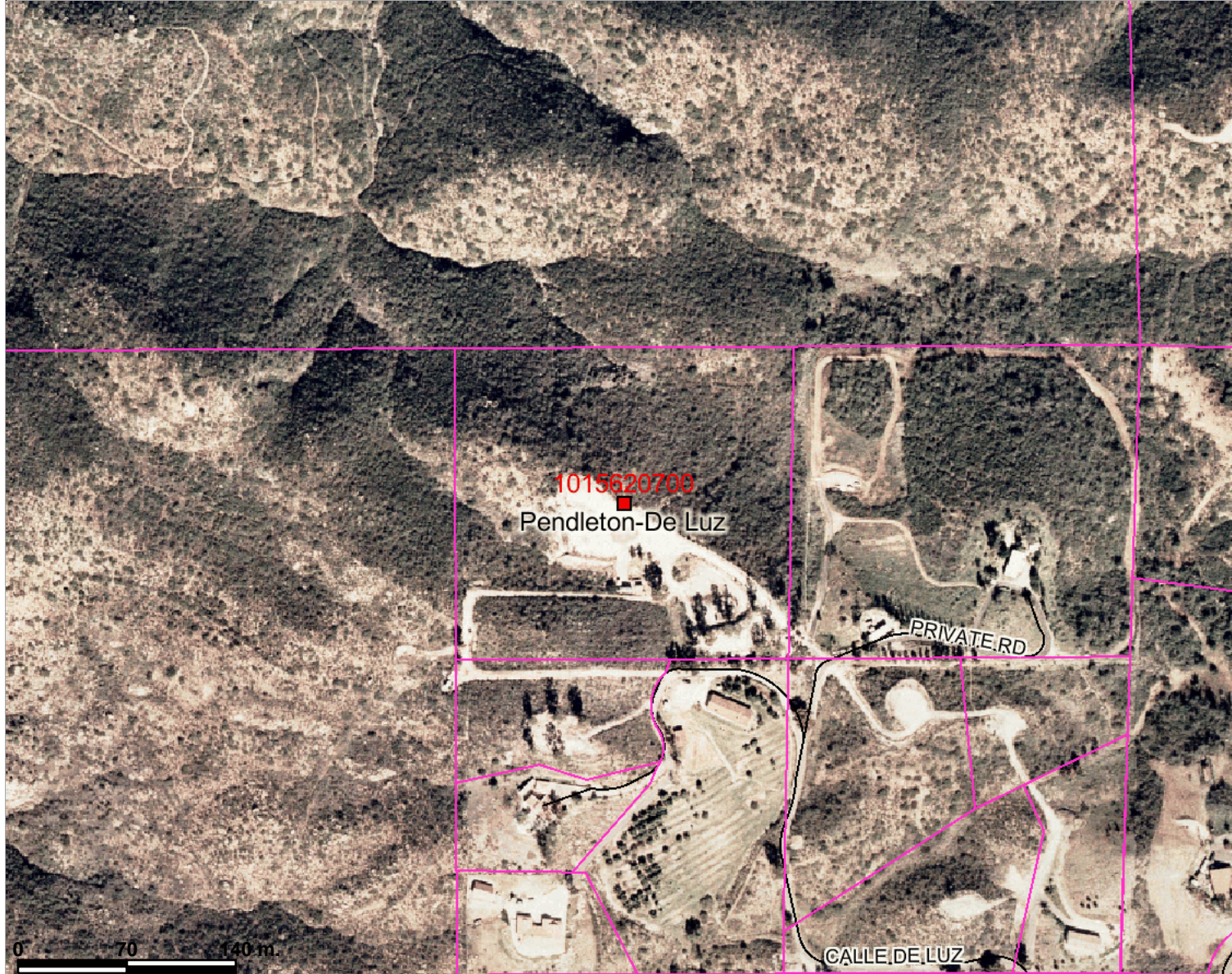


Scale: 1:3,981

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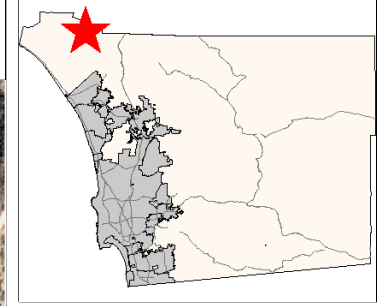


2004 GIS



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Map center: 33° 26' 14.88#074" N, 117° 18' 50.68#034" W



Legend

- Parcels w/out labels
- Highways
- Freeways
- Streets
- Water Bodies
- Sponsor Groups
- Sponsor Groups
- Other
- Community Planning Area
- Community Planning Areas
- 2004 Metro Orthophoto Block 5
- 2004 Metro Orthophoto South 4
- 2004 Metro Orthophoto North 4
- 2004 Metro Orthophoto South 3
- 2004 Metro Orthophoto North 3
- 2004 Metro Orthophoto West 2
- 2004 Metro Orthophoto East 2
- 2004 Metro Orthophoto West 1
- 2004 Metro Orthophoto East 1



Scale: 1:3,981

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Appendix B

**Letter to Jarrett Ramaiya at the County of San Diego
from Wayne and Carol Elder Dated December 12, 2007**

Wayne & Carol Elder

40401-A Deluz Road
Fallbrook, California 92028
(760) 723-9837

December 12, 2007

Jarrett Ramaiya
County of San Diego
Dept. of Planning & Land Use
5201 Ruffin Rd., Suite B (0650)
San Diego, CA 92123-1666

Re: L-15206/07-01-004; Elder Agricultural L- Grading Permit

Dear Jarrett:

I would like to respond to your letter dated December 10, 2007.

I would like to reiterate the discussion we had at our meeting August 20, 2007 with you, Nael Areigat, Tom Duffy and Mike Benesh. It is unfortunate Ms. Walsh, the county biologist was not at the meeting to discuss and see photos of the land over the last 40 years with different crops grown on the property. It was my understanding at the end of our meeting in August that your only concern was the amount of coastal sage in the lower portion of the graded area of the property. I am not sure why we are going back over the south/southwestern boundary area once again.

To again explain, our 10 acre parcel has been in our family since 1965. Over the years the property has gone through many struggles and changes. The ten acres was originally planted with avocados. Unfortunately rot root destroyed the grove. The area had to be fumigated and then replanted with citrus. A destructive wild fire came through our property destroying vegetation, irrigation and watering system approximately in 1999 – 2000. My brother started his flower fields on the south/southwestern boundary shortly after the wild fires. He installed new watering system and irrigation timer. See photos. Later he built a hot house to propagate his flower cuttings. See aerial photo of hot house. Also enclosed are photos of my brother's flower fields growing Diosma Pulchrum ("Pink Breath of Heaven"). As you can see from the photo the flowers have the appearance of small brush. Possibly that is why the aerial photo is hard to see the flower fields. My brother continued his flowers until his death in 2005.

Our family has worked hard over the last 40 years facing the many hardships as farmers encounter with agriculture. Much money has been spent replanting crops and replacing irrigation lines over the difficult years of rot root, freezes, wild fires and family member's deaths.

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Jarrett Ramaiya
December 13, 2007

To date we have hired the following to help with our Agriculture Grading Permit:

Mike Benesh
MLB Engineering
Escondido, CA

Malcomb Vinje
Vingi & Middleton Engineering, Inc.
Escondido, CA

John Dahl
Enviromental Design
Fallbrook, CA

Gretchen Cummings
Cummings & Associates
Ramona, CA

Jim Carter
Enviromental Land Solutions
Rancho La Costa, CA

I want to take responsibility for the grading my brother did and have tried diligently to correct all the areas of concern for the county. My funds are diminishing. I am hopeful and praying the agriculture grading permit will be finalized shortly by the county.

Best regards,



Wayne Elder

Enclosure

cc: Nael Areigat
Gretchen Cummings



FIRST PLANTED
AVOCADOS



LATER PLANTED
CITUS



FIRE DAMAGE



RISER MELTED IN FIRE



FLOWER FIELD IRRIGATION LINE



IRRIGATION TIMER

2005 GIS



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Legend

- Parcels w/out labels
- Highways
- Freeways
- Streets
- Water Bodies
- Water Bodies
- Sponsor Groups
- Sponsor Groups
- Other
- Community Planning Area
- Community Planning Areas
- 2005 Orthophoto South West
- 2005 Orthophoto South East
- 2005 Orthophoto North West
- 2005 Orthophoto North East

Scale: 1:3,981





FLOWER FIELD
DIOSMA PULCHRUM
"PINK BREATH OF HEAVEN"



CURRENT CITRUS GROVE



CURRENT AVOCADO GROVE

Appendix C

**Acknowledgment of Sale of Conservation Credits,
Letter from Shea Homes Dated April 1, 2008, and
Accounting of Environmental Credit Sales at the Daley Ranch
Conservation Bank**

04/03/2008 11:03 FAX 760 942 5015

ACKNOWLEDGMENT OF SALE OF CONSERVATION CREDITS

The undersigned Seller hereby acknowledges that it has sold and conveyed to Wayne & Carol Elder, 0.3 Chaparral/Coastal Sage Scrub Conservation Credits from the Daley Ranch Conservation Bank. All terms of this conveyance shall be governed by the provisions of the Conservation Credit Purchase Agreement and Acknowledgment between Purchaser and the undersigned dated April 1, 2008.

Seller: Shea Homes Limited Partnership,
a California limited partnership

By: J.F. Shea LLC,
a Delaware limited liability company,
its General Partner

By: 

Its: Authorized Agent

By: 

Its: Authorized Agent

Date: April 1, 2008

State of California)
) S.S.
County of San Diego)

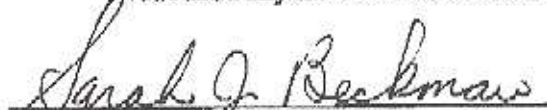
On April 1, 2008 before me, *Sarah J. Beckman, notary Public*, personally appeared *Alexander L. Plishner and John B. Vance* who proved to me on the basis of satisfactory evidence to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities, and that by their signatures on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



WITNESS my hand and official seal.


Notary Public in and for said County and State

SheaHomes

Caring Since 1881

April 1, 2008

Christine Stevenson
Department of Planning and Land Use
County of San Diego
5201 Ruffin Rd., Ste. B
San Diego, CA 92123

RE: Mitigation for Rosemary's Mountain Quarry Project (MUP-P87-021RPL2)

Dear Christine Stevenson:

As of today, April 1, 2008, Shea Homes has conveyed Wayne & Carol Elder certain conservation credits for the mitigation of impacts associated with their project being processed as the Elder's Agricultural L-Granite (L-15206).

Enclosed please find an Acknowledgment of Sale of Conservation Credits for the sale of 0.3 Chaparral/Coastal Sage Scrub Conservation Credits from the Daley Ranch Conservation Bank.

If you have any questions regarding this transaction or the conservation bank, please do not hesitate to contact me.

Sincerely,



Sarah J. Beckman
Assistant Community Development Manager
SheaHomes, San Diego
P: 858-526-6554
F: 858-320-0437

Enclosures

c: City of Escondido
Jim Carter, Environmental Land Solutions

9990 Mesa Rim Road, San Diego, CA 92121

**SHEA HOMES'
ENVIRONMENTAL CREDIT SALES AT
DALEY RANCH CONSERVATION BANK**

Total Credits in Ownership = 200 Credits

RESOURCES	CREDIT ALLOCATION BY HABITAT						CREDIT TOTAL
	Coast Live Oak	Englemann Oak	Chaparral/CSS	Wetland Habitat	Non-Native Grassland		
DALEY RANCH	11	5	154	3	27		200

CLOSED SALES AND COMMITTED RESOURCES

CLOSED SALE STATUS	BUYER / PROJECT NAME	Coast Live Oak	Englemann Oak	Chaparral/CSS	Wetland Habitat	Non-Native Grassland	CREDIT TOTAL	PROJECT JURISDICTION
Closed 9/1/99	Shea Homes' Scripps Gateway				3		3	San Diego
Closed 7/12/02	Sprint PCS ZAP 00-130	0.2					0.2	County of SD
Closed 7/26/02	Keystone Comm. - Rock Springs			1.8			1.8	San Marcos
Closed 1/29/03	Gamboni Ranch (TM 5241RPL3)					22.4	22.4	County of SD
Closed 4/18/03	Barry Speer Project (2002-04-VRP)			0.92			0.92	Escondido
Closed 7/2/03	Stuart, Rodriguez, Hodsman			0.7			0.7	Encinitas
Closed 7/14/03	Emmet Project: Tarbert Ranch			1.94			1.94	Encinitas
Closed 8/15/03	Hill Land Co. Case No. 2002-09-VRP			2.57		4.6	7.17	Escondido
Closed 11/21/03	Jones Grading Permit 7592-G			1.74			1.74	Encinitas
Closed 11/26/03	Pacific Scene's Paradise Hills			8			8	Nat'l city
Closed 1/16/04	DBR Dev. Case 99-150; TM/CDP/EIA			0.7			0.7	Encinitas
Closed 3/9/04	Bruce Tebbis TM 20470	0.1	0.5				0.6	County of SD
Closed 3/24/04	Forecast Homes San Marcos (TM432)			8			8	San Marcos
Closed 5/7/04	Julian Country Estates, LLC	3.21	2.1	7.8			5.31	County of SD
Closed 7/19/04	Vistancia (TM 419)			0			0	San Marcos
Closed 7/14/04	Heritage Oaks LLC (7 Credit Voided Sale)						1.2	Escondido
Closed 10/18/04	Washington Hills LLC (Shea Homes Use)	1.2					4	Escondido
Closed 12/15/04	Washington Hills LLC (Shea Homes Use)			4			9.6	County of SD
Closed 1/28/05	KB Homes (TM-5195)			9.6			18.7	San Marcos
Closed 3/11/05	San Elijo Hills Road Extension			18.7			3.56	Escondido
Closed 6/29/05	Carson Kiesel			3.56				

CONTINUED ON NEXT PAGE

Page 2

CLOSED SALES AND COMMITTED RESOURCES CONTINUED

CLOSED SALE STATUS	BUYER / PROJECT NAME	Coast Live Oak	Englemann Oak	Chaparral/ CSS	Wetland Habitat	Non-Native Grassland	CREDIT TOTAL	PROJECT JURISDICTION
Closed 8/23/05	Darwin Glen			1.8			1.8	Oceanside
Closed 8/23/05	Darwin Knolls			0.64			0.64	Oceanside
Closed 9/1/05	DKST LLC - Karen Thompson (TM 5308)	0.5		15			15.5	County of SD
Closed 9/16/05	O'Brien (TPM 20477)			6.6			6.6	County of SD
Closed 9/26/05	Lynn & Eric Thuen (TPM 20585)			1.84			1.84	County of SD
Closed 10/17/05	Hallmark Sea Vista Colony			1			1	San Marcos
Closed 11/11/05	Darwin Knolls & Darwin Glen			4.08			4.08	Oceanside
Closed 12/16/05	Lash (TM 5220)			6.9			6.9	County of SD
Closed 4/11/06	Valentine Trust - TPM 20710	1.08		2.65			2.65	County of SD
Closed 4/11/06	Dreifuss (TPM 20503)						1.08	County of SD
Closed 5/11/06	Ken Baumgartner (TPM 20764)			3			3	County of SD
Closed 5/31/06	Centex Homes (Vista - PC6-046)			7.05			7.05	Vista
Closed 9/13/06	Dale Trimblin (TM 5378)			3.80			3.8	County of SD
Closed 3/20/07	Windy Point Corp. Center (HLP-07-01)			0.40			0.4	San Marcos
Closed 7/25/07	DKST LLC Karen Thompson (TM 5308)	0.1					0.1	County of SD
Closed 11/1/07	Israni Ash 10 (TPM 20612)			4			4	County of SD
Closed 1/18/08	Granite Construction ROSEMARY'S MT.			5.40			5.40	County of SD
Closed 3/27/08	Wayne & Carol Elder (L-15206)			0.30			0.3	County of SD
							0	
	Total Closed Escrow	6.39	2.6	134.49	3	27	173.48	

Remaining	Available	CREDITS	4.61	2.4	19.51	0	0	26.52
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PENDING OR COMMITTED SALES

COMMITTED STATUS	BUYER'S RESERVED RESOURCES	Coast Live		Englemann		Chaparral/ CSS	Wetland		Non-Native		CREDIT TOTAL	PROJECT JURISDICTION
		Oak	Live	Oak	Englemann		Habitat	Grassland				
Signed Sent	Jerry Winter (TPM 20793)	0.54				3.06					3.60	County of SD
Contract Pending	Bob Cahill (TPM 16806)	0.52				4.47					4.99	County of SD
Contract Sent	Jerome Stehly (TPM 20689)					3.35					3.35	County of SD
Reserved 3/7	K Hovnanian (TM432)					2.50					2.50	San Marcos
Reserved 2/26	Arie DeJong HLP 01-01, TSM 413					0.64					0.64	San Marcos
											0	
	Total reserved	1.06		0		14.02	0	0			15.08	

Remaining CREDITS to be sold 3.55 2.4 5.49 0 0.00 11.44

Revised 3/27/08

Management and Monitoring of Site being done by THE CITY OF ESCONDIDO, 201 N. Broadway, Escondido, CA 92025